

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2873

ANSWERED ON:02.12.2016

Access to Banks

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Will the Minister of FINANCE be pleased to state:

- (a) whether according to data compiled by the Banking Division only 28%-32% of Indians have access to financial institutions, including post offices and banks and if so, the details thereof;
- (b) whether out of country's 677 districts, 253 have less than 100 bank branches, if so, the details thereof and the reasons therefor;
- (c) whether Reserve Bank of India (RBI) data shows that 3 per cent of the 138,626 bank branches are in 60 cities in Tier-1 and Tier-2 categories, leaving a highly skewed proportion with rural India and if so, the reaction of the Government thereon;
- (d) whether at least 38 districts, mostly in five North-Eastern States have less than 10 functioning banks, if so, the reasons therefor; and
- (e) the steps taken/being taken by the Government to address the issues of financial inclusiveness, unequal geographical spread of financial institutions at micro level and accessibility to banking institutions in far flung and remote rural across the country?

Answer

The Minister of State in the Ministry of Finance

- (a) As per Census 2011 estimates, out of 24.67 crore households in the country, 14.48 crore (58.7%) households have access to banking services. However under Pradhan Mantri Jan Dhan Yojana (PMJDY) from 15 August 2014 to 23.11.2016, 25.67 crore PMJDY accounts have been opened across the country.
- (b) As per Reserve Bank of India (RBI), out of 666 districts, 241 have less than 100 bank branches/offices. Opening of bank branches is a commercial decision of the banks taken in accordance with the branch opening policy of RBI.
- (c) Out of total number of 133668 bank branches as on 30.06.2016, 49279 bank branches (36.9%) are in Tier-1 and 9641 bank branches (7.2%) are in Tier-2 category.
- (d) RBI has informed that there are 33 districts (in 8 States/UTs including 5 (out of 7) North-Eastern States) with 10 or less number of branches/offices. In North Eastern States, there are issues such as lack of telecom and power connectivity, road and network connectivity etc. which affects the banks from opening of bank branches there.
- (e) To address the issue of financial inclusiveness, unequal geographical spread of financial institutions at micro level and accessibility to banking institutions in far flung and remote rural areas, PMJDY was launched on 28th August, 2014. As on 23.11.2016, 25.67 crore PMJDY accounts have been opened across the country. 126495 Business Correspondents have been deployed to provide access to withdrawal, deposit, balance enquiry and fund transfer.
